

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-13 ABF-01 OMB-01 TRSE-00 CIAE-00

PM-04 INR-07 L-03 ACDA-10 NSAE-00 PA-02 SS-15 PRS-01

SP-02 USIA-15 SAJ-01 DODE-00 /088 W

----- 087871

P 301505Z JUL 76 CORRECTED COPY FOR MCN

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 8920M

UNCLAS USNATO 4752

E.O. 11652: N/A

TAGS: AFIN, NATO

SUBJECT: INFORMATION FOR FY 1978 BUDGET SUBMISSION

REF: STATE 178050

1. THE FOLLOWING INFORMATION IS FURNISHED IN RESPONSE TO REFTEL.

2. SUMMARY OF NATO CIVIL BUDGET EXCLUDING CHAPTER IX (DEFENSE SUPPORT - FUNDED BY DOD) AND MBFR COSTS. (IN BELGIAN FRANCS).

	TOTAL	US SHARSWAT 24.2PCT
ACTUAL BUDGET 1975	1,352,564,200	327,320,538
MANDATORY INCREASES	142,390,000	
DISCRETIONARY INCREASES	20,000,000	
ASSESSMENT BUDGET 1976 (EST)	1,514,954,550	366,519,890
MANDATORY INCREASES	225,045,450	
DISCRETIONARY INCREASES	-0-	
ASSESSMENT BUDGET 1977 (EST)	1,740,000,000	421,234,000
MANDATORY INCREASES	2000,000,000	
DISCRETIONARY INCREASES	-0-	
ASSESSMENT BUDGET 1978 (EST)	1,940,000,000	469,500,000

3. EXPLANATION OF ESTIMATES:

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A. MANDATORY INCREASES ARE DEVOTED APPROXIMATELY FOUR-FIFTHS TO PERSONNEL AND ONE-FIFTH TO ALL OTHER OPERATING AND CAPITAL COSTS, FOR EACH YEAR. SALARY SCALES DEPEND UPON RECOMMENDATIONS BY COORDINATING COMMITTEE OF GOVERNMENT BUDGET EXPERTS, PARIS. SOME ACTIVITIES, SUCH AS THE INFORMATION: CULTURAL RELATIONS PROGRAM AND SCIENCE PROGRAM, HAVE TO SOME EXTENT UNDERGONE REAL

REDUCTIONS AS AVERAGE ANNUAL INCREASE FOR THESE PROGRAMS HAS BEEN LESS THAN THE INFLATION RATE IN BELGIUM.

B. IN 1977 WE EXPECT FIVE NEW POSTS TO BE REQUESTED FOR THE SIUTATION CENTER. THESE ARE BADLY NEEDED POSTS REQUIRED FOR IMPROVING THE HEADQUARTERS ADP CAPABILITY. (OF THE TEN NEW SITCEN POSTS ORIGINALLY ENVISAGED LAST YEAR, FIVE WERE APPROVED WITH THE 1976 BUDGET WITH OFFSETTING ELIMINATIONS OF OTHER POSTS ELSEWHERE AT NATO HEADQUARTERS.) THE FIVE NEW POSTS FOR 1977 WILL ALSO E OFFSET BY POST REDUCTIONS ELSEWHERE. FURTHERMORE, AS DIRECTRED BY THE COUNCIL IN DEC 1975 AFTER US URGING, THE SECRETARY GENERAL HAS UNDERTAKEN A STUFJ ON HOW TO REDUCE NATO HEADQUARTERS STAFF AS A WHOLE BY UP TO 2 PER CENT IN 1977. RESULTS OF THE STUDY ARE EXPECTED TO BE AVAILABLE IN THE FALL OF 1976 FOR USEHDN CONNECTION WITH THE CIVIL BUDGET COMMITTEE'S REVIEW OSGTHE 1977 BUDGET REQUEST.

C. US POLICY WITH REGARD TO PERSONNEL CONTINUES TO BE ONE OF SEEKING NET REDUCTIONS AS FEASIBLE, BUT IN ANY CASE TO APPROVENYNE W POSTS ONLY WHEN THERE ARE IDENTIFIABLE OFFSETTING REDUCTIONS OF OTHER POSTS. PRIORITIES OF ALL NATO PROGRAMS ARE HIGH. ALL PROGRAMS AND ACTIVITES ARE CAREFULLY EXAMINED IN THE CIVIL BUDGET COMMITTEE AND ARE LIMITED WHEREVER POSSIBLE.

D. INFLATION, WHICH IS NOW ABOUT 13 PER CENT PER YEAR, IS OF COURSE EXPECTED TO CONTINUE. PERSONNSD COSTS FOR 1977 AND 1978 WILL BE INDEFINITE UNTIL AFTER THE DETERMINATION OF THE NEW SALARY PROCEDURE IN THE JASY 1976 SALRY REVIEW. WE EXPECT SALARIES TO INCREASE AT SAME RATE AS AVERAGE SALARY INCREASES AMONG PRINCIPAL EUROPEAN COUNTRIES. STRAUZ-HUPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 30 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NATO04752
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197607106/baaaaykg.tel
Line Count: 84
Locator: TEXT ON-LINE
Office: n/a
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAY 2004 by chengls>; APPROVED <15 NOV 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: AFIN, NATO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006